

CONSUMER GUIDELINES: TOP TEN CONSIDERATIONS WHEN PURCHASING LONG TERM CARE INSURANCE

Long Term Care Partners, LLC, the company administering the Federal Long Term Care Insurance Program sponsored by the U.S. Office of Personnel Management, offers a checklist, "Top Ten Considerations for Purchasing Long Term Care Insurance." This checklist will help consumers understand what they need to consider before they make a decision about purchasing a policy.

Long term care insurance is designed to help cover the cost of services for people needing assistance with activities of daily living (custodial care), such as eating, dressing, and bathing, or who have a severe cognitive impairment such as Alzheimer's disease. Care can be received at home, an adult day care center, a hospice, an assisted living facility, or a nursing home.

"Long term care insurance is a new product to many consumers," said Paul Forte, Chief Executive Officer of Long Term Care Partners. "It can be a great financial help to those who are unable to care for themselves. However, before purchasing a policy, consumers should be sure they understand the options available to them and the background of the company from which they are buying the policy. This will result in a more informed purchasing decision and may also reduce the costs involved."

1. **Don't Assume You Have This Coverage** - Long term care is not covered by most health insurance policies or disability insurance. Medicare generally pays limited amounts for skilled care (not custodial care) only following a hospital stay.
2. **Educate Yourself** - Visit the web sites of reputable organizations related to aging or long term care, or read articles in consumer or personal finance magazines related to this topic.
3. **Discuss Your Long Term Care Plans with Your Family** - Consider whether or not your spouse, children, or other family members could provide care if you need it and the extent to which you want to depend on them.
4. **Consider a Range of Care Options** - Decide if you want a policy that includes coverage for a range of care options including home care, community-based services (like adult day care), assisted living facility and nursing home care or care in limited settings such as facilities only.
5. **Don't be a Penny Wise and a Pound Foolish** - Sometimes the least expensive plan is not the wisest choice because coverage may be limited and/or provide few options. You may be better off spending more on a plan that ensures you have more choices about the level and type of care you may need one day.
6. **Buy Only the Coverage You Need** - For example, most people don't need a policy that covers nursing home care for many years. The average stay in a nursing home is 2½ years. Consumers should also check local nursing home rates to determine the cost of care in their area, and decide how much of that cost they can pay for out-of-pocket. You don't need to purchase insurance to cover all anticipated costs if you can pay part of them from your income or assets.

7. **Buy at a Young Age** - Long term care insurance rates are based on your age when you first buy the coverage. Those who buy in their 40's and 50's can have the advantage of selecting rich plan designs for a fraction of the price they would pay if they waited to buy later.

8. **Ensure Your Coverage Keeps Pace with Inflation** - You may not need to use your benefits for many years and the costs for long term care will increase. Be sure your plan benefits are protected against inflation so they are adequate to meet your needs in the future

9. **Don't Overlook Your Employer or an Affinity Organization** - More and more employers and affinity organizations are offering long term care insurance. These plans are usually carefully researched and may offer cost savings.

10. **Purchase from a Financially Stable Company** - Check ratings of companies to be sure that they have a proven track record and will be around when you need to use your long term care insurance benefits. Also ask about their history of premium increases.

The following groups are eligible to apply for coverage under the Federal Long Term Care Insurance Program: employees (Federal and Postal employees and members of the uniformed services), annuitants (Federal and Postal annuitants and retired members of the uniformed services) and qualified relatives (current spouses and adult children of living employees and annuitants; and parents, parents-in-law, and stepparents of living employees). The Federal Long Term Care Insurance Program is offered by John Hancock Life Insurance Company, Boston, MA 02117 and Metropolitan Life Insurance Company, New York, New York 10010.

A web site for the Federal Long Term Care Insurance Program, <http://www.ltcfeds.com>, offers online applications, an interactive calculator to provide customized price quotes based on age and choice of benefits, and educational resources about long term care and long term care insurance. Information may also be obtained by calling 1-800-LTC-FEDS (1-800-582-3337); (TDD for the hearing impaired: 1-800-843-3557).

Long Term Care Partners, LLC, a joint partnership formed by John Hancock Life Insurance Company (John Hancock) and Metropolitan Life Insurance Company (MetLife), is administering the Federal Long Term Care Insurance Program which is sponsored by the U.S. Office of Personnel Management.

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